on lease to foreign oil companies for oil and gas exploration ; and

(b) if so, what are the terms and conditions of the lease ; how many foreign oil companies have approached for the fresh lease ; how many foreign companies are engaged in offshore exploration and how many points/places of exploration they have succeeded in their efforts to locate petroleum ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI NAWAL KISHORE SHARMA) : (a) and (b) The term and conditions for oil exploration and production by foreign oil companies in the country have not yet been finalised.

Royalty on crude oil

130. SHRI CHIMANBHAI MEHTA : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether the award regarding royalty on crude oil, pending since long, for Gujarat and Assam has been declared ; if so, what are the details thereof ;

(b) what are the reasons for the delay, if any ;

(c) whether the Government of Gujarat have asked for 20 per cent as royalty of sale price in national or international market ;

(d) whether it is also a fact that in the past erstwhile Prmie Ministers were sympathetically considering award on the basis of national or international prices ; and

(e) what are the current pithead, national and international prices ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI NAWAL KISHORE SHARMA) (a) and (b) No, Sir. The matter is under consideration of the Government.

(c) Yes, Sir.

(d) and (e) Royalty is fixed on balance of several considerations like the desirability of providing reasonable revenue to the States where oil is produced, the extent to which it would add to the price of petroleum products etc. According to the Oilfields (Regulation and Development) Act it cannot exceed 20% of the well-head price of crude oil. The base price of domestic crude oil is Rs. 968 per tonne. The current international well-head price of crude oil is not available. The commercial international price of crude oil is about US$ 200/MT.

Sponge Iron Project

131. SHRI RAOOF VALIULLAH : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state :

(a) whether Government of Gujarat has requested the Petroleum and Natural Gas Ministry to reaffirm its commitment to supply natural gas and also to announce the price thereof for the sponge iron project to be put up by GIIC in the joint sector at Hazira near Surat ;

(b) whether in view of land acquisition and offers from foreign collaborators and expenditure of Rs. 20 lakhs by State Government Undertaking, the Government have taken any decision in the matter of supply and price fixation of gas ; and

(c) if no, when the decision is likely to be taken ?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI NAWAL KISHORE SHARMA) : (a) The Government of Gujarat have requested the Ministry of Petroleum and Natural Gas for allocation of 0·50 million cubic